

## Message Text

MRN: 1975EC BRU001453 SEGMENT NUMBER: 000001 ERROR READING TEXT INDEX  
FILE; TELEGRAM TEXT FOR THIS SEGMENT IS UNAVAILABLE  
ADP000  
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64  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-01 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 SS-15 NSC-05 L-02 INT-05

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FM USMISSION EC BRUSSELS  
TO SECSTATE WASHDC 8324  
INFO ALL EC CAPITALS 369

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5. MOST OF THE EXPERT GROUP IS AGAINST USING THE SDR BASKET AS THE U.A. BECAUSE EC CURRENCIES ACCOUNT FOR ONLY 45 PERCENT OF THE SDR. THE COMMITTEE BELIEVES THE NEW U.A. SHOULD FOLLOW BY 100 PERCENT THE AVERAGE MOVEMENT OF EC CURRENCIES. THE UK, HOWEVER, REPORTEDLY WOULD PREFER ADOPTING THE SDR BASKET (WHICH INCLUDES EXTRA EUROPEAN CURRENCIES), AND THIS POSITION IS PREVENTING THE COMMITTEE FROM REACHING AGREEMENT AT THE EXPERT LEVEL. THE COMMISSION PLANS TO PUSH AHEAD WITH THIS STUDY. THE MONETARY COMMITTEE AT THE DEPUTIES LEVEL IS MEETING ON FEBRUARY 20 ON THIS ISSUE.

6. THE MONETARY COMMITTEE IS EXPECTED TO REACH AN AGREED OPINION BY THE MARCH 18 MEETING. IT WILL LIKELY RECOMMEND AN EUROPEAN CURRENCY BASKET BE ADOPTED FOR SELECTED EC INSTITUTIONS; I.E., THE EUROPEAN DEVELOPMENT FUND (EDF), THE EIB AND THE EUROPEAN COAL AND STEEL COMMUNITY. IN ADDITION, THE EC MIGHT ADOPT THIS U.A. FOR ITS BORROWING OPERATIONS UNDER THE EUROPEAN COMMON  
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BORROWING FACILITY. BECAUSE OF THE HIGH POLITICAL (AND ECONOMIC) IMPORTANCE OF THE U.A. FOR THE CAP, THE EC BUDGET AND THE EUROPEAN MONETARY COOPERATION FUND, THE COMMISSION AND THE MONETARY COMMITTEE ARE NOT CONSIDERING PROPOSING A MODIFICATION OF THE UNITS OF ACCOUNT FOR THESE ACTIVITIES.

7. MOST SENIOR COMMISSION OFFICIALS WITH WHOM WE HAVE TALKED BELIEVE THAT THE COUNCIL WILL AGREE IN PRINCIPLE TO ADOPT A NEW U.A. FOR AT LEAST THE EDF AND EIB AT ITS MARCH 18 MEETING. THEY NOTE, HOWEVER, THAT THIS IS A DECISION REGARDING A FINANCIAL ACCOUNTING METHOD AND DOES NOT RELATE AT ALL TO MONETARY MATTERS. COMMISSION OFFICIALS BELIEVE A FAVORABLE COUNCIL DECISION WOULD BE A STEP TOWARDS A COMMUNITY MONETARY IDENTITY. THEY ADD, HOWEVER, THAT THERE IS LITTLE SUPPORT FOR FOURCADE'S AND PRESIDENT ORTOLI'S EFFORTS TO ADOPT A EUROPEAN CURRENCY WHICH WOULD SERVE AS AN ANTI-DOLLAR CURRENCY BLOCK. IN VIEW OF THE ECONOMIC DIVERGENCES AMONG THE MEMBER STATES, MOST COMMISSION OFFICIALS DO NOT BELIEVE SUCH A PROPOSAL IS REALISTIC AT THIS TIME. IF ANYTHING, EFFORTS TO PROMOTE A EUROPEAN CURRENCY HINDER EC ACTION ON REALISTIC PROPOSALS SUCH AS THE NEW U.A.

8. SHOULD THE COUNCIL GIVE ITS APPROVAL FOR THE EDF TO ADOPT A NEW U.A., IT WOULD STILL TAKE CONSIDERABLE TIME FOR IT TO BECOME OPERATIONAL. THE MEMBER STATES AND THE ACP COUNTIES WOULD HAVE TO RATIFY THE PROPOSAL BECAUSE IT WOULD CONSTITUTE A CHANGE IN THE TERMS OF THE EC-ACP CONVENTION. SHOULD AEUROPEAN MARKET BASKET U.A. EVENTUALLY BECOME OPERATIONAL, THE COMMISSION WOULD CLACULATE AND PUBLISH DAILY THE VALUE OF THE U.A. BASED ON THE RATES OF EXCHANGE. GREENWALD

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## Message Attributes

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**Disposition Approved on Date:**  
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**Status:** NATIVE  
**Subject:** EC MONETARY COMMITTEE PUSHES AHEAD WITH NEW UNIT OF ACCOUNT FOR SELECTED EC INSTITUTIONS  
**TAGS:** EFIN, EEC  
**To:** STATE  
**Type:** TE  
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